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**Cooperation frameworks and related matters**

# Extension of the first country cooperation framework for the Federated States of Micronesia

## Note by the Administrator

Period of extension:
1 January 2002 through 31 December 2002

## I. Background and justification

1. At its third regular session 1997, the Executive Board approved the first country cooperation framework (CCF) for the Federated States of Micronesia, for the period 1997 to 2001. A one-year extension has been requested by the country office, to enable the formulation of the second CCF within the context of the United Nations Development Assistance Framework and to synchronize the period of the second CCF with the programming cycles of other United Nations agencies in the country.

2. The main thematic areas of the first CCF are job creation and sustainable livelihoods, with priority on the informal sector and governance.

## II. Objectives

3. The ongoing UNDP Micronesian Entrepreneurship Development Centre project has contributed directly to the expansion of business development services in the States of Chuuk, Kosrae and Yap and Pohnpei. Building on this achievement, UNDP will continue to target its available resources in partnership arrangements with both national and state governments, to ensure that the formal and non-formal sectors have access to skills and entrepreneurial training, thus contributing directly to the well being of the most vulnerable groups in society, such as women, youth and people living in the more remote islands. In the area of governance, there is a continued demand for capacity-building for policy formulation and implementation, particularly at the state level. Given the limited regular resources, further assistance in this area will be heavily dependent on continued cost-sharing partnerships with relevant state governments. UNDP will also continue to provide assistance through Global Environment Facility-funded projects to help the Federated States of Micronesia to meet its obligations towards developing a national biodiversity strategy action plan and report to the Conference of Parties, and to continue with the development of

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community action plans to promote a sustainable kava industry and compatible enterprises for lowland areas of Pohnpei.

## III. Recommendation

4. The Administrator wishes to inform the Executive Board that he has approved the extension of the first country cooperation framework for the Federated States of Micronesia for a period of one year, 1 January 2002 through 31 December 2002.

# Annex

## Resource mobilization target table for the Federated States of Micronesia (1997-2002)

| *Source* | *Amount (In thousands of United States dollars)* | *Comments* |
|---|---|---|
| **UNDP regular resources** | | |
| Estimated IPF carry-over | (560) | Includes AOS. |
| TRAC 1.1.1 | 297 | Assigned immediately to country. |
| TRAC 1.1.2 | 0 to 66.7 per cent of TRAC 1.1.1 | This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources. |
| SPPD/STS | 187 | |
| **Subtotal** | **(76)** [a] | |
| **UNDP other resources** | | |
| Government cost-sharing | 1 079 | |
| Third party cost-sharing | 0 | |
| Funds, trust funds and other | 1 029 | |
| of which: | | |
| GEF | 1 029 | |
| **Subtotal** | **2 108** | |
| **Grand total** | **2 032** [a] | |

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: AOS = administrative and operational services; GEF = Global Environmental Facility; IPF = indicative planning figure; SPPD = Support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.